



# 2006 Elective Cosmetic Surgery Billing Package

Prepared by the UBO  
Support Team

15 May 2006, 0800 EDT and 1400 EDT and  
22 May 2006, 0800 EDT and 1400 EDT (for  
Providers)

Dial In: 1-866-866-2244 (participant code:  
608779)



# Agenda

- Introduction
- Overview of 2006 Key Changes
- Rate Methodology
- Overview – CSET
- Attachments
  - Revised Acknowledgement letter
  - Copy of TRICARE POLICY MANUAL 6010.54-M
- Questions

# Overview – 2006 Changes



Facility costs will be applied to multiple and/or bilateral procedures

- TRICARE ASC and APC rates for facility fee
- HCPCS/CPT costs mapped to New National Average Rate, locality code 300
- Flat rate fee \$75.00 for Moderate Sedation
- Abdominoplasty will be billed using two codes
  - 15813 Abdominoplasty and
  - 15877 Liposuction; trunk

Note: Rates effective 12 June 2006

# Rate Methodology – Current



- ❖ CY 2005 reimbursement rates(CMAC)
- ❖ HCPCS/CPT codes mapped to CMAC using\*FY05 ASA, locality 375 (Brazoria,TX)
  - ❖ Additional fee for Facility, APC or ASC rates\*\*
  - ❖ Additional fee for Anesthesia management
  - ❖ Discounted fee for Additional procedures
- ❖ \*Median locality rate is subject to change annually
  - ❖ \*This locality rate is used regardless of MTF location
  - ❖ \*ASA= Adjusted Standardized Amount
- ❖ \*\*Based on Medicare APC and ASC rates

# Rate Methodology- Proposed



- Professional fee
  - \*CY 2006 national average rate (CMAC)
    - HCPCS/CPT codes mapped to CMAC using \*locality number 300
- Facility fee
  - TRICARE ASC rates
  - TRICARE APC rates
  - Average FY06 Direct Care Inpatient reimbursement rates
    - DRG 283 – RWP 0.578
    - Area Wage Index<1.00
    - ASA Third Party Rate - \$8,939.81
- Anesthesia fee
  - Anesthesia multiplier \$17.85 per unit

❖ \*This locality rate is used regardless of MTF location

# Rate Comparison- Key Changes



- DRG rate increased
  - CY05 \$2155.80 to CY06 \$5167.21
- ASC rate decreased
  - CY05 Grp1 \$333 to CY06 Grp1 \$195
- APC rate increased
  - CY05 \*\$875 to CY06 \*\$1082.84
- CMAC rate varies

\*based on CPT codes 15820-23

# Rate Methodology – Professional Fee Proposed



- CMAC CY06 has four categories
  1. \*"Facility" physician
  2. \*\*"Non Facility" physician
  3. "Facility" non-physician
  4. "Non Facility" non-physician
  - The "facility" category includes hospitals and ambulatory surgical centers.
  - The "non facility" category includes provider offices, and all other non-facility settings.
- **Note:** For Services rendered in the office/minor surgery room, the non facility professional fee will apply for Bedded and MTFs w/o beds

# Rate Methodology – Inpatient Charges Proposed



Charges for inpatient surgical services are based on the cost per DRG = \$5167.21

- The cosmetic procedures identified as inpatient are:
  - \*15831 Abdominoplasty
  - 21141 Reconstruction Mid-face LeFort
  - 21193 Reconstruction Mandib rami/w/o bone graft
  - 21194 Reconstruction Mandible rami w/bone graft
  - 21195 Reconstruction Mandible w/o fixation
  - 21196 Reconstruction Mandible w/fixation
- \*Although Abdominoplasty is usually performed as an outpatient procedure, the inpatient option only applies to overnight stays.



# Rate Methodology – Facility Costs



- Facility costs - The facility cost is based on two different rate categories depending on the location of the procedure. For cosmetic surgery conducted in a provider's office an institutional fee will not apply.
  - The Ambulatory Payment Classification rate (APC) is applied for cosmetic surgery performed in a bedded MTF (e.g., hospital operating room.)
  - The Ambulatory Surgical Center (ASC) rate is applied when cosmetic surgery is applied when performed in the operating room of a non-bedded MTF (e.g., a clinic).
- Procedure Location – Location of where the procedure will be performed.

# Rate Methodology- Key Changes



## Facility Fee for Multiple and/or Bilateral Procedures

### Current

- Surgical procedure with the highest RVU
  - Charged 100% of facility fee
- Each additional associated and/or bilateral procedure
  - Charged 0% of facility fee

### Proposed

- Surgical procedure with the highest RVU
  - Charged 100% of facility fee
- Each additional associated and/or bilateral procedure

When more than one procedure is performed during an operative session (e.g. bilateral procedure and/or multiple associated procedures) a facility fee will be applied to each additional procedure at 50% of the facility fee.

# Rate Methodology- Example



- CPT 15821-Blepharoplasty, lower eyelid; with extensive herniated fat pad (bilateral)
  - Blepharoplasty- (L) lower eyelid
    - Professional fee for primary procedure
      - (\$450.60 @ 100% = \$450.60)
    - \*Facility costs for primary procedure
      - (\$1,082.84 @ 100% = \$1,082.84)
  - Blepharoplasty- (R) lower eyelid
    - Professional fee for secondary procedure
      - (\$450.60 @ 50% = \$225.30)
    - \*Facility costs for secondary procedure
      - (\$1,082.84 @ 50% = \$541.42)

**Total costs incl. Anes fee = \$2,532.21**

\*Bedded MTF OR/Outpatient-TRICARE APC rate

# Rate Methodology- Calculations

## Current vs. Proposed



### • Current

#### **Bedded/MTF**

Bleph lower lid (bilateral)

Pro fee - \$449.73

Facility fee-OR/Opt \*\$875.01

Bilateral costs - Pro fee \$224.87

Facility fee - \$0

Anes fee \$236.99

Total cost \$1786.60

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\*APC Medicare

\*based on Medicare APC

### • Proposed

#### **Bedded/MTF**

Bleph lower lid (bilateral)

Pro fee - \$450.60

Facility fee-OR/Opt \*\$1082.84

Bilateral costs- Pro fee \$225.30

Facility fee - \$541.42

Anes fee \$232.05

Total cost \$2532.21

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\*TRICARE APC rate

# Rate Methodology- Key Changes



Abdominoplasty with liposuction use CPT codes;

- 15831- Abdominal lipectomy
- 15877- Suction assisted lipectomy; trunk
- Coming soon
  - 2007 new CPT code for Abdominoplasty which will include liposuction
- Conscious sedation renamed “Moderate” Sedation
  - Flat rate fee \$75.00 for Moderate sedation
  - Use codes 99144 or 99149 to report sedation

# Rate Methodology- Abdominoplasty



- CPT 15831 Abdominoplasty, CPT 15877 Liposuction; trunk
  - Abdominoplasty
    - Professional fee for primary procedure
      - (\$845.49 @ 100% = \$450.60)
    - Facility costs for primary procedure
      - (\$1,164.73 @ 100% = \$1,164.73)
    - Anesthesia fee \$392.70
  - Liposuction; trunk
    - Professional fee for second procedure
      - (\$845.49 @ 50% = \$422.75)
    - Facility costs for second procedure
      - (\$1,082.84 @ 50% = \$541.42)

# Rate Methodology- Calculations



## Multiple Procedure

### • **Current Bedded/MTF**

Abdominoplasty & Liposuction  
Pro fee - \$856.07  
Facility fee - OR/Opt \*\$1,006.74  
Multi procedure - Pro fee  
\$428.04  
Multi procedure Facility fee - \$0  
Anes fee \$401.06  
**Total cost \$2,691.91**

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**\*based on Medicare APC**

### • **Proposed Bedded/MTF**

Abdominoplasty & Liposuction  
Pro fee - \$845.49  
Facility fee - OR/Opt \*\$1,164.73  
Multi procedure - Pro fee \$422.75  
Multi procedure Facility fee -  
\$582.37  
Anes fee \$392.70  
**Total cost \$3,408.04**

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**\*based on TRICARE APC rate**

# What Are They Charging Downtown?



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tline User Perfor





Procedure	Civilian - 2003 Physician Surgeon Fees*/**	Military-2005 Physician Surgeon Fees**
		\$856.07
Abdominoplasty (tummy tuck)	\$4,477	\$4.71 per unit
Botox	\$413	\$625.40
Breast Augmentation	\$3,257	\$1,146.05
Breast Reduction	\$5,183	\$733.98
Dermabrasion	\$1,367	\$510.02
Eyelid Surgery	\$2,510	\$629.12
Facelift	\$5,622	\$856.07
Liposuction	\$2,425	\$1238.75
Rhinoplasty	\$3,745	\$76.88

Collagen

\$381

**\*National average; surgeon fees are based on ASAPS 2003 Statistics.**

**\*\* Facility fees, anesthesia and other surgical costs not included.**

2003 ASAPS(American Society for Aesthetic Plastic Surgery) Procedure Quick Facts

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# Rates Effective - 12 June 2006

- For procedures scheduled on or after  
12 June 2006, new rates will apply
- For procedures scheduled on or before 12 June 2006, 2005 rates will apply

**Cosmetic Surgery Estimator**

There are two ways you may retrieve a cosmetic surgery costing estimate:  
 1. Run a saved inquiry. Click on the inquiry name in the "Saved Inquiry" list box on the left below, or  
 2. Run a new inquiry. Fill in the appropriate procedure criteria data into each of the yellow boxes below.

**Saved Inquiry**

To view a saved inquiry, click on an inquiry in the list box below.

Example SaveInquiry

**New Inquiry: Please fill in the yellow boxes below...**

Select By:	CPT Code	or	CPT Name	Costs
1 & 2	What is the CPT/HCPCS Code?			<b>Professional Fee:</b> \$0.00
3	Where will the procedure be performed?	<input type="radio"/> Bedded MTF <input type="radio"/> Office/minor surgery room <input type="radio"/> OR/Outp <input type="radio"/> OR/Inpt	<input type="radio"/> MTF w/o beds (clinic) <input type="radio"/> Office/minor surgery room <input type="radio"/> OR/Outp	<b>Facility Costs:</b> APC: \$0.00 ASC: \$0.00 DRG: \$0.00
4	Will the procedure be bilateral?			<input type="radio"/> Yes <input type="radio"/> No <b>Bilateral Costs:</b> \$0.00
5	Quantity:	Botox (total units) 0	Electrolysis (total minutes) 0	Scar revision # of each additional 5cm 0 <b>Quantity Costs:</b> \$0.00
6	Will anesthesia be used?	<input type="radio"/> Topical <input type="radio"/> Monitored Anesthesia Care <input type="radio"/> Local Block		<input type="radio"/> Conscious Sedation <input type="radio"/> General Anesthesia Care <b>Anesthesia Costs:</b> \$0.00
7	Will additional procedures be performed at the same time?			<input type="radio"/> Yes <input type="radio"/> No <b>Multiple Costs:</b> \$0.00
8	Were implants supplied by the MTF? Include nomenclature and price if available.			<input type="radio"/> Yes <input type="radio"/> No <b>Implant Costs:</b> \$0.00
<a href="#">View Multiple Associated Procedures</a> <a href="#">View Implants</a>				<b>Total Costs:</b> \$0.00

[Save Inquiry](#)
[Reset Inquiry](#)
[View Cost Report](#)
[Print Cost Report](#)
[Export Report](#)

# Cosmetic Surgery Estimator

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# Overview



- CSET distributed to 61 users
- CSET training for users
  - UBU/UBO Conference 16 March 2006
  - Audio teleconference 15 & 22 May 2006
    - MSA 15 May 2006
    - Providers 22 May 2006
- CSET beta testing conducted
  - 13 April – 28 April 2006
- CSET version 2 distributed 12 May 2006

# 2006 CSET Changes

- Inpatient option added for Abdominoplasty
- Inpatient location function disabled for procedures that are “outpatient only”
- Updated Multiple procedure section to accommodate Botox, Electrolysis, and Scar revision pricing

# CSET-Changes (Location )

*New Inquiry: Fill in the yellow boxes below...*

Select By:	CPT Code	or	CPT Name	Costs
1 & 2	What is the CPT/HCPES Code?	11401	Excision benign skin lesion, trunk, arms or legs 0.6-1.0cm	Professional Fee: \$128.47
3	Where will the procedure be performed?	<div> <div>Bedded MTF</div> <div> <input checked="" type="radio"/> Office/Minor Surgery Room  <input type="radio"/> OR/Outpatient </div> </div> <div> <div>MTF w/o Beds (Clinic)</div> <div> <input type="radio"/> Office/Minor Surgery Room  <input type="radio"/> OR/Outpatient </div> </div>		Facility Costs: APC: \$0.00 ASC: \$0.00 DRG: \$0.00
4	Will the procedure be bilateral?			<input type="radio"/> Yes <input type="radio"/> No Bilateral Costs: \$0.00
5	Quantity:	Botox (total units) 0 Electrolysis (minutes) 0 Scar Revision (# of each additional 5cm) 0	Quantity Costs: \$0.00	
6	Will anesthesia be used?	<input type="radio"/> Topical <input type="radio"/> Monitored Anesthesia Care <input type="radio"/> Local Block <input type="radio"/> Conscious Sedation <input type="radio"/> General Anesthesia Care		Anesthesia Costs: \$0.00
7	Will additional procedures be performed at the same time?			<input type="radio"/> Yes <input type="radio"/> No Multiple Costs: \$0.00
8	Were implants supplied by the MTF? Include nomenclature and price if available.			<input type="radio"/> Yes <input type="radio"/> No Implant Costs: \$0.00
<div>VIEW/EDIT Additional Procedures</div> <div>VIEW/EDIT Implants</div>				
11401		Excision benign skin lesion, trunk, arms or legs 0.6-1.0cm		Total Costs: \$128.47

Note: **Inpatient location** disabled when an outpatient procedure is selected. This feature will avoid Inpatient pricing errors for "outpatient only" procedures.

# CSET- Changes



## Multiple Procedures

procedures section was expanded to include fields for; facility costs for each add'l procedure & bilateral procedures. Fields for Botox, Electrolysis and Scar revision were also added.

**Multiple Associated Procedures**

Select the Multiple Associated Procedure by clicking in the "CPT Code" or "CPT Title" drop down boxes.  
 Designate if the Multiple Associated Procedure is bilateral by clicking on the "Bilateral ?" check box.  
 Enter relevant Botox, Electrolysis, or Scar Revision data.

Select a Multiple Associated Procedure by clicking on the:

CPT Code or CPT Title

15877 Suction assisted lipectomy; trunk

CPT Code	CPT Title	CPT \$	Facility \$	Bilat ?	Bilat \$	Botox	Electrolysis	Scar Rev	Total Cost
15877	Suction assisted lipectomy; trunk	\$422.75	\$541.42	<input type="checkbox"/>	\$0.00	0	0	0	\$964.17

Cost of Associated Procedures: \$964.17

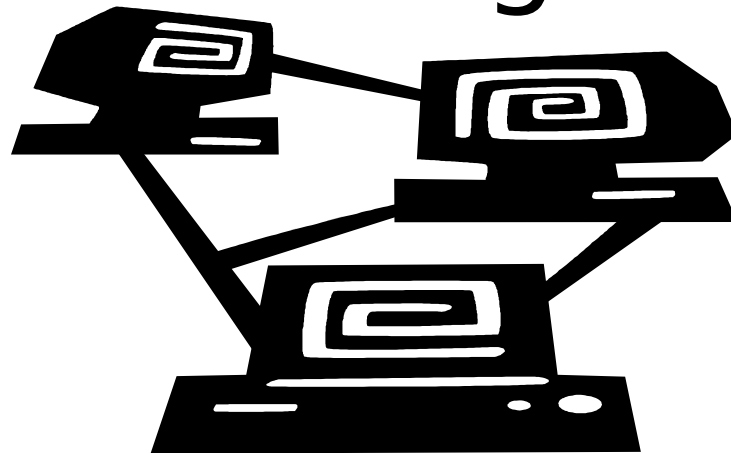
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# 2006 CSET Changes

- Procedures added for 2006
  - Chemical Peel non-facial
  - Ligation of long saphenous vein
  - Vein stripping
  - Stab phlebectomy
  - Reconstruction of the mandibular with grafting
  - Canthoplasty (Revision of eyelid)
  - Blepharoptosis



For additional assistance,  
[contact:ubo.helpdesk@altarum](mailto:contact:ubo.helpdesk@altarum.org)  
.org



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**SECTION 1.1**

Complications (unfortunate sequelae) resulting from non covered surgery or treatment

ISSUE DATE: April 11, 1984

AUTHORITY: 32 CFR 199.4(e)(9)

**I. POLICY**

A. Benefits are available for the otherwise covered treatment of complications resulting from a noncovered surgery or treatment when the complication represents a medical condition separate from the condition that the noncovered treatment or surgery was directed toward, and treatment of the complication is not essentially similar to the noncovered procedure.

B. A complication may be considered a separate medical condition when it causes a systemic effect, occurs in a different body system from the noncovered treatment, or is an unexpected complication, which is untoward, based upon prior clinical experience with the procedure.

**II. EXCLUSIONS**

A. The complication occurs in the same body system or the same anatomical area of the noncovered treatment; and

## SAMPLE LETTER OF ACKNOWLEDGEMENT

I, \_\_\_\_\_, have elected to undergo \_\_\_\_\_  
PATIENT'S NAME NAME OF PROCEDURE

at \_\_\_\_\_.  
NAME OF MEDICAL TREATMENT FACILITY

1. Since this surgery is not a TRICARE or DoD benefit, I agree to pay in advance for the procedure(s) at the rate(s) listed in the attached estimate. I acknowledge that the initial amount paid by me may not constitute payment in full since there maybe additional charges for services such as laboratory, radiology, and pharmacy, as well as any unforeseen necessary procedures undertaken during the surgery. I understand that these charges are not factored into the initial estimate, but will be added upon computation of the final bill. I agree that these charges must be paid within 30 calendar days after presentation of the final bill or, pursuant to the 1982 Debt Collection Act, I will incur additional interest and/or administrative charges.
2. I have read and understand the refund policy (printed on the back of this form) in the event I change my mind and decide not to have the surgery.
3. I have been counseled that follow-up care after my surgery is NOT guaranteed in a military medical treatment facilities because the care may exceed the ability of the facility and/or there may not be appointments available when I need to be seen. I understand that follow-up care, including care for complications, is not a covered benefit under TRICARE, which means that I may be financially responsible for that care if I am not treated at a military treatment facility. I have reviewed Chapter 4, Section 1.1, of the TRICARE Handbook (August 2002 edition)) and understand what type of follow-up care I will be financially responsible for if I am not treated at military facility.
4. I fully understand these conditions and agree to proceed.

\_\_\_\_\_  
SIGNATURE OF COUNSELING OFFICIAL

DATE SIGNED: \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF PATIENT

DATE SIGNED: \_\_\_\_\_

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